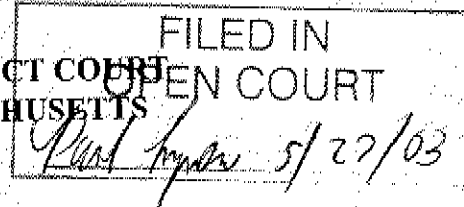


UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS



UNITED STATES OF AMERICA)

v.)

AUGUSTINE E. PESATURO &)
RICHARD M. STRAKA,)

Defendants.)

Case No. 02-10070-GAO

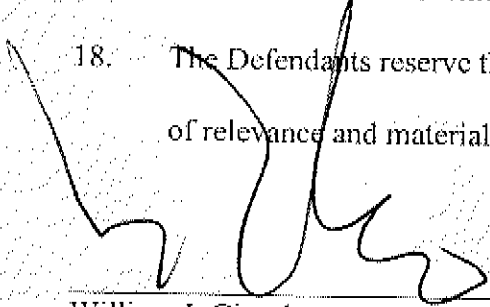
STIPULATION AGREEMENT

It is hereby stipulated by and between the parties hereto, by and through their respective attorneys, that all of the following stipulations shall apply:

1. A sample of the 60 gallons of fuel purchased by the IRS from a Covenant Oil truck on January 5, 1996, contained 75% kerosene.
2. A sample of the 80 gallons of fuel purchased by the IRS from a Covenant Oil truck on January 11, 1996, contained a concentration of 11.3 mgs/l of red dye and contained 20% kerosene.
3. A sample of the 75 gallons of fuel purchased by the IRS from a Covenant Oil truck on January 12, 1996, contained a concentration of 10.1 mgs/l of red dye and contained 26% kerosene.
4. A sample of the 80 gallons of fuel purchased by the IRS from a Covenant Oil truck on January 18, 1996, contained a concentration of 8.7 mgs/l of red dye and contained 38% kerosene.

5. A sample of the 80 gallons of fuel purchased by the IRS from a Covenant Oil truck on February 1, 1996, contained 78% kerosene.
6. A sample of the 70 gallons of fuel purchased by the IRS from a Covenant Oil truck on February 8, 1996, contained 58% kerosene.
7. A sample of the 90 gallons of fuel purchased by the IRS from a Covenant Oil truck on February 8, 1996, contained a concentration of 15.3 mgs/l of red dye and contained 5% kerosene.
8. A sample of the 52 gallons of fuel purchased by the IRS from a Covenant Oil truck on February 9, 1996, contained 67% kerosene.
9. A sample of the 69 gallons of fuel purchased by the IRS from a Covenant Oil truck on February 15, 1996, contained 63% kerosene.
10. A sample of the 46 gallons of fuel purchased by the IRS from a Covenant Oil truck on February 16, 1996, contained 64% kerosene.
11. A sample of the 62 gallons of fuel purchased by the IRS from a Covenant Oil truck on February 26, 1996, contained 58% kerosene.
12. A sample of the 63 gallons of fuel purchased by the IRS from a Covenant Oil truck on February 29, 1996, contained 61% kerosene.
13. A sample of the 72 gallons of fuel purchased by the IRS from a Covenant Oil truck on May 16, 1996, contained 47% kerosene.
14. A sample of the 59 gallons of fuel purchased by the IRS from a Covenant Oil truck on May 22, 1996, contained 45% kerosene.
15. A sample of the 85 gallons of fuel purchased by the IRS from a Covenant Oil truck on June 4, 1996, contained 80% kerosene.

16. A sample of the 63 gallons of fuel purchased by the IRS from a Covenant Oil truck on June 6, 1996, contained 37% kerosene.
17. Each party reserves the right to offer at trial any other competent, material, relevant and admissible evidence which may tend to explain a transactional intent of the parties.
18. The Defendants reserve the right to object to admissibility of any evidence on the grounds of relevance and materiality.



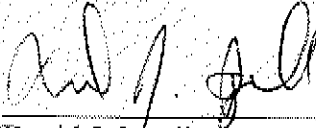
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